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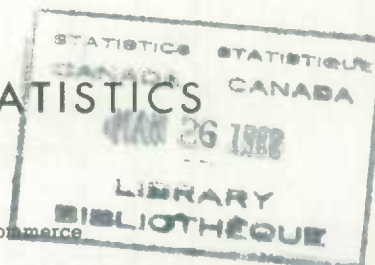
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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

JUNE 1968

Security Transactions - Second Quarter 1968

Transactions in portfolio securities between Canada and other countries during the second quarter of 1968 gave rise to a net inflow of \$496 million, an increase to over two and half times the \$175 million inflow for the first quarter. A net increase in non-resident holdings of Canadian issues led to a \$615 million inflow compared with \$244 million for the first quarter. Every category of transactions contributed to this large increase, however, the higher level of new Canadian issues provided the major part. Net purchases of foreign securities moved up over seventy per cent to a \$119 million outflow in the second quarter from a \$69 million outflow for the first quarter.

Sales of Canadian new issues rose sharply from \$408 million to \$711 million largely on the strength of increased borrowing from European sources. Since World War II Canada has derived over ninety per cent of its international capital financing of new issues from the United States. However, over the first half of this year, there has been a strong movement by Canadian borrowers to the European capital market due to a number of factors. First, Canadian borrowing in the United States capital market, despite Canada's exemption from most United States balance of payments measures, has become increasingly difficult due to the relative saturation of the United States capital markets after several quarters of exceptionally large placements of Canadian new issues. Second, the Euro-bond market over the past few years has rapidly developed into an efficient and co-ordinated source of funds partly in response to the pressure of the capital needs of overseas subsidiaries of United States firms, and third, comparable costs of borrowing in relation to the United States (aside from differing foreign exchange risks). The Canadian issues placed in Europe have, in general, two features. The bulk are not of the typical Euro-bond type, but are essentially private loans borrowed from financial institutions in one country, denominated in its own currency, and second, they are medium-term and to date only one issue matures after 1973. This borrowing has increased from about \$20 million in the fourth quarter of 1967 to over \$60 million in the first quarter of 1968 and almost \$300 million in the quarter under review when Government of Canada issues were prominent. The currency distribution of these issues placed in Europe in the second quarter was about \$153 million in Deutsche marks, over \$108 million in other European currencies and more than \$30 million in United States dollars.

During the second quarter non-residents purchased \$255 million (expressed in Canadian funds) of Government of Canada new issues. There were placements by the Government of new issues in Germany, Italy and the United States - the first new issues placed abroad by the Canadian Government since the foreign exchange crisis of 1962 and its aftermath. New corporation bond issues more than doubled to \$231 million while new issues of provincial governments moved down to \$180 million from \$240 million.

During the second quarter of the year, trade in outstanding Canadian securities produced a net inflow of \$23 million, a swing of over \$60 million from the first quarter outflow of \$38 million. While there were net repatriations of \$11 million of Canadian bonds and debentures, these were more than offset by the \$34 million net sales of Canadian equities.

Second quarter retirements of Canadian securities held by non-residents remained at approximately the same level of \$119 million compared with \$126 million in the previous quarter. Retirements by municipal governments and corporations fell somewhat, but this was offset to some extent by the increase in retirements of Government of Canada direct and guaranteed issues.

The net outflow for purchases of foreign securities rose to \$119 million from \$69 million in the first quarter when there were large liquidations of the Government of Canada's holdings of bonds of the International Bank for Reconstruction and Development. Net purchases of outstanding foreign securities increased to \$116 million from \$55 million while Canadian purchases of foreign new issues decreased to \$10 million from a high \$23 million occasioned by a new I.B.R.D. bond placement in Canada. Retirements of Canadian holdings of foreign securities remained approximately the same in the previous quarter.

Security Transactions between Canada and Other Countries

Net sales (+) or purchases (-) by Canadians	1966	1967P				1968P	
	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter
millions of dollars							
Canadian securities:							
Outstanding issues - Bonds, etc.	- 15	- 10	- 22	- 10	- 14	- 53	- 11
Stocks	- 44	- 53	- 17	+ 30	+ 52	+ 15	+ 34
New issues	+ 228	+ 317	+ 291	+ 274	+ 418	+ 408	+ 711
Retirements	- 131	- 58	- 131	- 48	- 101	- 126	- 119
Foreign securities:							
Outstanding issues	- 92	- 51	- 61	- 129	- 126	- 55	- 116
New issues	- 6	- 26	- 11	- 16	- 13	- 23	- 10
Retirements	+ 5	+ 3	+ 2	+ 3	+ 7	+ 9	+ 7
Totals - All securities	- 55	+ 122	+ 51	+ 104	+ 223	+ 175	+ 496

Preliminary figures.

September 1968
2306-503Balance of Payments and Financial Flows Division
Balance of Payments Section

Transactions in Canadian Securities between Canada and Other Countries

	1967P				1968	
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter

millions of dollars

Trade in Outstanding Canadian Securities between Canada and Other Countries

Bonds and debentures

Government of Canada, direct	- 8	- 17	- 6	- 4	- 12	- 2
Government of Canada, guaranteed	- 3	- 4	+ 1	-	- 8	- 2
Provincial government (incl. guaranteed)	-	- 3	- 1	- 3	- 16	- 5
Municipal government	+ 1	+ 5	- 1	+ 1	- 3	- 1
Railways, not guaranteed by governments ..	-	-	- 1	-	-	+ 2
Other corporations	-	- 3	- 2	- 8	- 14	- 3
Sub-totals, bonds and debentures	- 10	- 22	- 10	- 14	- 53	- 11
Common and preference stocks	- 53	- 17	+ 30	+ 52	+ 15	+ 34
Totals	- 63	- 39	+ 20	+ 38	- 38	+ 23

Proceeds of New Issues of Canadian Securities Sold to Non-residents

Bonds and debentures

Government of Canada, direct	3	4	4	9	4	255
Government of Canada, guaranteed	-	-	-	-	-	-
Provincial government (incl. guaranteed)	217	242	118	183	240	189
Municipal government	56	6	52	49	46	33
Railways, not guaranteed by governments ..	-	-	26	1	20	3
Other corporations	30	31	67	157	89	231
Sub-totals, bonds and debentures	306	283	267	399	399	701
Common and preference stocks	11	8	7	19	9	10
Totals	317	291	274	418	408	711

Retirements of Canadian Securities Held by Non-residents

Bonds and debentures

Government of Canada, direct	-	52	-	28	11	21
Government of Canada, guaranteed	3	11	-	1	-	8
Provincial government (incl. guaranteed)	22	24	5	10	21	18
Municipal government	11	12	8	22	16	11
Railways, not guaranteed by governments ..	4	-	-	-	27	9
Other corporations	18	32	35	40	51	52
Sub-totals, bonds and debentures	58	131	48	101	126	119
Common and preference stocks	-	-	-	-	-	-
Totals	58	131	48	101	126	119

P Preliminary figures.

Offerings and Deliveries of New Issues of Canadian Bonds and Debentures
Sold to Residents of the United States

Year and quarter	Offerings	Deliveries of prior offerings	Offerings for later delivery	Proceeds of new issues	Undelivered balance at end of period
millions of dollars					
1965	1,458	45	318	1,185	324
1966	1,156	324	122	1,357	122
1967	1,448	122	370	1,200	370
1966 - I	335	321	145	511	148
II	382	109	144	347	183
III	219	142	75	286	116
IV	220	85	91	213	122
1967 - I	348	96	149	295	175
II	378	145	249	274	279
III	418	116	275	259	438
IV	304	160	92	372	370
1968 - I	413	96	177	332	451
II	360	218	147	431	380
III					
IV					

Trade in Outstanding Securities - June 1968

During the month of June trade in outstanding securities gave rise to a purchase balance at \$34.8 million. This was a swing of almost \$55 million from the \$19.4 million net inflow recorded in May. Geographically, there were net outflows of \$39.3 million and \$3.4 million to the United States and United Kingdom respectively, while there was a net inflow of \$7.9 million from other foreign countries. A small net repurchase balance from transactions in outstanding Canadian securities in June of \$1.8 million was made up of a net inflow of \$12.0 million for stocks partially offset by a \$10.2 million net outflow for bonds and debentures.

A net outflow of \$36.6 million was recorded from trading in outstanding foreign securities compared with a \$1.6 million net inflow for May. Transactions in United States common and preference shares produced a net purchase balance of \$47.5 while transactions in United States bonds and debentures gave rise to \$12.1 million sales balance.

Transactions in Government of Canada Treasury Bills Between Canada and Other Countries

Month	Sales		Repurchases and maturities		Net change in holdings		Holdings 1968			
	1967	1968	1967	1968	1967	1968	Total	United States	United Kingdom	Other
millions of dollars										
January	20	11	10	3	+ 10	+ 8	32	5	10	17
February	11	34	8	26	+ 3	+ 8	40	3	1	36
March	10	50	8	43	+ 2	+ 7	47	1	2	44
April	21	17	9	10	+ 12	+ 7	54	10	2	42
May	6	17	26	22	- 20	- 5	49	11	1	37
June	28	29	12	30	+ 16	- 1	48	3	1	44
July	12		17		- 5					
August	7		19		- 12					
September	11		11		-					
October	10		13		- 3					
November	4		5		- 1					
December	49		47		+ 2					

International Transactions in Canadian Short-Term Money Markets (except Treasury Bills)

Item	All countries						United States					
	Sales to		Repurchases and maturities		Net sales +		Sales to		Repurchases and maturities		Net sales +	
	1967	1968	1967	1968	1967	1968	1967	1968	1967	1968	1967	1968
millions of dollars												
<u>Buy-back transactions (1)</u>												
First quarter	22	7	18	7	+ 4	-	17	1	13	1	+ 4	-
Second quarter	4	10	8	10	- 4	-	3	10	7	10	- 4	-
Third quarter	-		-		-		-		-		-	
Fourth quarter	-		-		-		-		-		-	
Year	26		26		-		20		20		-	
<u>Finance company paper</u>												
First quarter	285	143	278	204	+ 7	- 61	230	131	214	156	+ 16	- 25
Second quarter	196	103	220	141	- 24	- 38	143	98	191	108	- 48	- 10
Third quarter	176		231		- 55		144		171		- 27	
Fourth quarter	206		183		+ 23		168		169		- 1	
Year	863		912		- 49		685		745		- 60	
<u>Other finance company obligations (2)</u>												
First quarter	24	46	41	53	- 17	- 7	19	41	41	50	- 22	- 9
Second quarter	21	33	10	39	+ 11	- 6	20	32	10	38	+ 10	- 6
Third quarter	9		40		- 31		9		39		- 30	
Fourth quarter	109		38		+ 71		108		35		+ 73	
Year	163		129		+ 34		156		125		+ 31	
<u>Commercial paper (3)</u>												
First quarter	93	33	103	34	- 10	- 1	48	23	49	22	- 1	+ 1
Second quarter	103	14	106	14	- 3	-	65	10	68	12	- 3	- 2
Third quarter	23		21		+ 2		19		17		+ 2	
Fourth quarter	9		11		- 2		8		7		+ 1	
Year	228		241		- 13		140		141		- 1	
<u>Other short-term paper (4)</u>												
First quarter	49	73	45	65	+ 4	+ 8	49	48	45	46	+ 4	+ 2
Second quarter	56	50	48	67	+ 8	- 17	46	30	40	37	+ 6	- 7
Third quarter	48		49		- 1		40		45		- 5	
Fourth quarter	77		63		+ 14		53		50		+ 3	
Year	230		205		+ 25		188		180		+ 8	

(1) Based on Government of Canada securities having an original term over one year.

(2) Bank loans and inter-company accounts.

(3) Including bankers' acceptances.

(4) Including notes of banks, mortgage loan companies and municipal and provincial governments.

International short-term money market transactions(1)

During the second quarter of 1968 there was a net outflow of \$60 million resulting from international transactions in Canadian money market instruments and other short-term borrowings by finance companies (data for which are included only in the accompanying two statements). Geographically, there were net outflows of \$23 million, \$32 million and \$5 million to the United States, the United Kingdom and other foreign countries respectively. Interest rates in Canada as measured by treasury bill yields remained for most of the second quarter at or near the peak established at the end of the previous quarter. A marked decline was evident in the latter part of March as yields dropped almost 30 basis points. The yield differential between Canada and the United States narrowed sharply over the second quarter by some 50 basis points mainly due to increases in the United States rate. This factor was more than offset for most of the quarter, however, by easing of forward pressure on the Canadian dollar and the consequent reduction in the discount on the forward Canadian dollar.

International transactions in Canadian finance company paper (including that of financing subsidiaries of manufacturing and retail enterprises) led in the second quarter to a \$38 million net outflow. This was augmented by a \$6 million net outflow as a result of transactions in other finance company short-term obligations (which include borrowings from foreign banks and advances from parent companies). The comparative first quarter figures were net outflows of \$61 million and \$7 million for finance company paper and other finance company short-term obligations respectively. In addition there were other finance company transactions not identified separately which have been included with capital movements in long-term forms, notably in new issues and retirements of Canadian securities. Taken in total, non-residents decreased their claims on these companies in the second quarter by about \$45 million.

International transactions in Canadian treasury bills led to a \$1 million inflow in the second quarter after being in balance in the previous quarter. Net capital flows due to international transactions in Canadian commercial paper (including bankers' acceptances) moved from a \$1 million outflow in the first quarter to a net balance in the second quarter. However, there were \$17 million of net sales of other short-term paper (including notes of banks, mortgage loan companies and provincial and municipal governments). Buy-back transactions based on Government of Canada securities again gave rise to no net capital movement in the quarter.

- (1) Short-term securities are for balance of payments purposes, those with an original term to maturity of one year or less.

Arbitrage on Treasury Bills between Canada and the United States, 1968(1)

Last Friday of month	Treasury bill rates(2)				Premium (+) or discount (-) on forward Canadian dollar(3)	Net incentive (favour of Canada)
	Canada		United States	Spread (favour of Canada)		
	As quoted in Canada	Adjusted to U.S. quotation basis				
			per cent	per annum		
January	6.26	6.08	4.87	+ 1.21	- 1.30	- .09
February	6.74	6.54	4.96	+ 1.58	- 1.41	+ .17
March	6.96	6.75	5.14	+ 1.61	- 1.69	- .08
April	7.00	6.79	5.49	+ 1.30	- 1.53	- .23
May	6.94	6.73	5.65	+ 1.08	- 1.36	- .28
June	6.54	6.35	5.26	+ 1.09	- .95	+ .14
July						
August						
September						
October						
November						
December						

(1) As published in the United States Federal Reserve Bulletin.

(2) Market offer rates at 11 a.m. on the latest issue of three month bills.

(3) Rates per annum computed on basis of midpoint quotation (between bid and offer) at 11 a.m. in New York for both spot and forward Canadian dollars. When purchasing Canadian funds with United States dollars and simultaneously reselling them for United States dollars for delivery in 90 days, a positive figure represents a nominal return, at annual rates, to a United States resident, while a negative figure represents a nominal cost. The cases are reversed for a Canadian holder of Canadian funds doing a swap transaction in United States dollars.

TABLE 2. Trade in Outstanding Canadian Securities Between Canada and Other Countries

(Millions of dollars)

Year and Month	Total Transactions			United States			United Kingdom			Other Foreign Countries		
	Sales to	Purchases from	Net sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -
1966 - Year	604.6	845.2	- 240.6	369.8	537.2	- 167.4	102.3	139.3	- 37.0	132.5	168.7	- 36.2
1967 - Year	699.8	744.0	- 44.3	414.3	400.0	+ 14.3	97.6	156.0	- 58.4	187.8	188.0	- 0.2
1968 - 6 months	434.3	448.8	- 14.5	230.6	225.7	+ 4.9	77.9	104.5	- 26.6	125.8	118.6	+ 7.2
1967 - January	54.5	78.3	- 23.8	31.5	49.5	- 17.9	5.4	10.6	- 5.1	17.6	18.3	- 0.7
February	44.0	62.8	- 18.9	27.6	36.5	- 8.9	6.1	14.6	- 8.6	10.3	11.8	- 1.4
March	45.2	64.2	- 19.0	28.6	37.4	- 8.8	7.3	12.2	- 4.9	9.4	14.7	- 5.3
April	43.8	50.7	- 6.9	24.2	28.6	- 4.4	7.3	11.5	- 4.2	12.3	10.6	+ 1.7
May	47.4	68.5	- 21.2	25.4	42.3	- 16.8	6.9	10.6	- 3.7	15.0	15.7	- 0.7
June	52.0	62.0	- 10.0	29.2	30.8	- 1.5	6.9	15.1	- 8.3	15.9	16.1	- 0.2
July	48.7	57.3	- 8.6	30.2	32.3	- 6.0	6.0	11.0	- 5.0	12.4	13.9	- 1.5
August	52.9	66.3	- 13.4	26.6	32.1	- 5.6	9.2	13.5	- 4.4	17.1	20.6	- 3.4
September	95.2	52.5	+ 42.7	69.3	23.2	+ 46.1	10.9	13.5	- 2.6	15.0	15.8	- 0.8
October	66.2	52.5	+ 13.7	34.7	23.1	+ 11.6	9.9	16.6	- 6.7	21.7	12.8	+ 8.8
November	72.6	64.4	+ 8.1	40.4	32.3	+ 8.2	10.4	12.4	- 2.0	21.7	19.7	+ 2.0
December	75.4	57.6	+ 17.8	45.2	25.5	+ 19.7	11.4	14.3	- 3.0	18.9	17.8	+ 1.1
Month not identified	1.9	6.8	- 4.9	1.3	6.5	- 5.2	-	-	-	0.6	0.3	+ 0.3
1968 - January	78.2	78.2	-	39.9	40.5	- 0.6	19.9	16.1	+ 3.8	18.4	21.6	- 3.2
February	59.4	72.9	- 13.5	30.6	45.1	- 14.5	10.6	10.3	+ 0.4	18.2	17.6	+ 0.6
March	61.9	85.9	- 24.0	34.0	35.6	- 1.6	9.0	26.8	- 17.8	18.9	23.5	- 4.6
April	62.3	56.5	+ 5.8	32.3	31.0	+ 1.3	8.3	10.7	- 2.4	21.8	14.9	+ 6.8
May	88.6	73.2	+ 15.4	51.3	29.5	+ 21.9	13.8	20.5	- 6.6	23.4	23.2	+ 0.2
June	83.7	81.9	+ 1.8	42.4	44.0	- 1.6	16.3	20.2	- 3.9	25.1	17.7	+ 7.4
July												
August												
September												
October												
November												
December												
Month not identified												

As figures are rounded, totals may not equal sum of component parts.

TABLE 3. Trade in Outstanding Foreign Securities Between Canada and Other Countries

(Millions of dollars)

Year and Month	Total Transactions			United States			United Kingdom			Other Foreign Countries		
	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-
1966 - Year	1,052.5	1,414.0	- 361.5	977.1	1,321.4	- 344.3	26.0	32.0	- 6.0	49.4	60.6	- 11.2
1967 - Year	1,925.9	2,292.8	- 366.9	1,839.5	2,183.7	- 344.2	28.8	54.2	- 25.4	57.6	54.9	+ 2.7
1968 - 6 months	1,303.3	1,474.0	- 170.7	1,270.5	1,425.0	- 154.5	12.1	20.0	- 7.9	20.8	29.0	- 8.3
1967 - January	119.7	145.2	- 25.5	114.9	135.0	- 20.0	0.5	5.8	- 5.3	4.3	4.5	- 0.2
February	140.2	162.7	- 22.6	132.0	155.7	- 23.7	2.6	3.3	- 0.7	5.6	3.8	+ 1.8
March	212.1	197.1	+ 15.1	202.0	185.6	+ 16.4	4.4	6.7	- 2.3	5.7	4.7	+ 1.0
April	155.8	158.7	- 2.9	145.2	148.2	- 3.0	5.2	5.7	- 0.4	5.4	4.9	+ 0.6
May	156.2	172.6	- 16.3	151.9	167.3	- 15.4	1.2	2.6	- 1.4	3.2	2.7	+ 0.5
June	179.3	203.4	- 24.1	172.4	192.4	- 20.0	1.1	7.3	- 6.2	5.7	3.6	+ 2.1
July	137.6	187.2	- 49.7	132.8	183.1	- 50.3	0.6	0.9	- 0.4	4.2	3.3	+ 1.0
August	151.1	188.6	- 37.6	143.5	178.6	- 35.2	4.9	6.5	- 1.6	2.7	3.5	- 0.8
September	161.4	185.2	- 23.8	156.1	174.4	- 18.2	1.9	4.4	- 2.5	3.3	6.4	- 3.1
October (1)	182.7	199.3	- 16.6	175.8	191.1	- 15.3	1.7	2.6	- 0.9	5.2	5.6	- 0.4
November (1)	145.8	218.1	- 72.3	136.5	205.9	- 69.4	3.7	5.8	- 2.1	5.5	6.3	- 0.8
December	145.0	168.1	- 23.0	138.6	161.5	- 22.9	0.5	1.3	- 0.9	6.0	5.3	+ 0.7
Month not identified	38.9	106.5	- 67.6	37.8	104.9	- 67.1	0.5	1.3	- 0.8	0.6	0.3	+ 0.3
1968 - January	185.0	231.2	- 46.3	180.3	223.7	- 43.3	1.5	2.8	- 1.3	3.2	4.8	- 1.6
February (2)	194.6	156.2	+ 38.4	189.9	147.7	+ 42.2	1.3	2.6	- 1.3	3.3	5.9	- 2.5
March	159.8	206.2	- 46.4	156.0	199.6	- 43.6	1.3	2.6	- 1.2	2.4	4.0	- 1.6
April	233.6 ^r	293.8 ^r	- 60.3 ^r	228.9 ^r	283.9 ^r	- 55.7 ^r	2.5	4.8 ^r	- 2.3 ^r	2.8	5.1 ^r	- 2.3 ^r
May	279.3 ^r	277.7 ^r	+ 1.6 ^r	271.9 ^r	267.1 ^r	+ 4.7 ^r	2.5	4.9	- 2.4	5.0	5.7	- 0.8
June	251.1	287.7	- 36.6	244.1	281.9	- 37.7	2.9	2.3	+ 0.7	4.1	3.6	+ 0.5
July												
August												
September												
October												
November												
December												
Month not identified	0.1	21.1	- 21.0	0.1	21.1	- 21.0	-	-	-	-	-	-

As figures are rounded, totals may not equal sum of component parts.

(1) Includes special purchases of outstanding I.B.R.D. bonds by the Government of Canada.

(2) Includes special sales of outstanding I.B.R.D. bonds by the Government of Canada.

Note: Purchases from the United States of outstanding foreign securities were revised for each month in 1967.

TABLE 4. Trade in Outstanding Securities Between Canada and Other Countries

(Thousands of dollars)

June 1968	Total Sales	Total Purchases	Net Sales + Purch. -	United States			United Kingdom			Other Foreign Countries		
				Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -
Grand Total, Canadian and Foreign Securities	334,866	369,641	-34,775	286,560	325,898	-39,338	19,166	22,518	- 3,352	29,140	21,225	+ 7,915
Canadian Securities, Total	83,744	81,936	+ 1,808	42,423	44,045	- 1,622	16,263	20,224	- 3,961	25,058	17,667	+ 7,391
Bonds and Debentures	17,346	27,543	-10,197	4,523	15,179	-10,656	7,910	9,156	- 1,246	4,913	3,208	+ 1,705
Common and Preference Stocks	66,398	54,390	+12,008	37,900	28,866	+ 9,034	8,353	11,068	- 2,715	20,145	14,456	+ 5,689
Other Securities	-	3	- 3	-	-	-	-	-	-	-	3	- 3
Foreign Securities, Total	251,122	287,705	-36,583	244,137	281,853	-37,716	2,903	2,294	+ 609	4,082	3,558	+ 524
United States Issues:												
Bonds and Debentures	28,204	16,076	+12,128	26,873	14,546	+12,327	831	904	- 73	500	626	- 126
Common and Preference Stocks	218,532	266,020	-47,488	214,799	262,738	-47,939	628	627	+ 1	3,105	2,655	+ 450
United Kingdom Issues:												
Bonds and Debentures	304	1,322	- 1,018	267	1,264	- 997	37	-	+ 37	-	58	- 58
Common and Preference Stocks	870	1,106	- 236	6	796	- 790	864	299	+ 565	-	11	- 11
Other Foreign Countries Issues:												
Bonds and Debentures	947	531	+ 416	239	232	+ 7	338	107	+ 231	370	192	+ 178
Common and Preference Stocks	2,265	2,650	- 385	1,953	2,277	- 324	205	357	- 152	107	16	+ 91
All Other Foreign Securities	-	-	-	-	-	-	-	-	-	-	-	-
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	9,136	15,754	- 6,618	1,133	6,711	- 5,578	4,759	7,305	- 2,546	3,244	1,738	+ 1,506
Government of Canada - Guaranteed	3,025	3,767	- 742	1,048	1,477	- 429	1,598	1,735	- 137	379	555	- 176
Provincial	1,787	5,449	- 3,662	1,514	5,210	- 3,696	33	26	+ 7	240	213	+ 27
Municipal	160	225	- 65	145	160	- 15	14	52	- 38	1	13	- 12
Railway, not guaranteed by governments	1,816	7	+ 1,809	300	3	+ 297	1,495	-	+ 1,495	21	4	+ 17
Other Corporations	1,422	2,341	- 919	383	1,618	- 1,235	11	38	- 27	1,028	685	+ 343
United States Issues:												
Government	1,891	1,143	+ 748	1,891	1,023	+ 868	-	-	-	-	120	- 120
Other	26,313	14,933	+11,380	24,982	13,523	+11,459	831	904	- 73	500	506	- 6
United Kingdom Issues:												
Government	58	116	- 58	21	70	- 49	37	-	+ 37	-	46	- 46
Other	246	1,206	- 960	246	1,194	- 948	-	-	-	-	12	- 12

TABLE 5. Trade in Outstanding Securities Between Canada and Other Countries

(Millions of dollars)

Six months ending June 1968	Total Sales	Total Purchases	Net Sales + Purch.	United States			United Kingdom			Other Foreign Countries		
				Sales to	Purchases from	Net Sales + Purch.	Sales to	Purchases from	Net Sales + Purch.	Sales to	Purchases from	Net Sales + Purch.
Grand Total, Canadian and Foreign Securities	1,737.6	1,922.8	- 185.2	1,501.0	1,650.7	- 149.6	90.0	124.5	- 34.5	146.5	147.6	- 1.1
Canadian Securities, Total	434.3	448.8	- 14.5	230.6	225.7	+ 4.9	77.9	104.5	- 26.6	125.8	118.6	+ 7.2
Bonds and Debentures	77.5	141.3	- 63.8	25.5	79.4	- 53.9	30.0	25.1	+ 4.9	22.0	36.8	- 14.8
Common and Preference Stocks	356.7	307.4	+ 49.3	205.0	146.1	+ 58.9	47.9	79.4	- 31.5	103.7	81.8	+ 21.9
Other Securities	0.1	0.1	-	-	0.1	- 0.1	-	-	-	-	-	-
Foreign Securities, Total	1,303.3	1,474.0	- 170.7	1,270.5	1,425.0	- 154.5	12.1	20.0	- 7.9	20.8	29.0	- 8.3
United States Issues:												
Bonds and Debentures	136.1	110.8	+ 25.3	128.1	99.8	+ 28.3	3.6	6.6	- 3.0	4.4	4.4	- 0.1
Common and Preference Stocks	1,108.7	1,288.1	- 179.3	1,093.7	1,267.7	- 174.0	2.4	5.1	- 2.6	12.6	15.3	- 2.7
United Kingdom Issues:												
Bonds and Debentures	1.8	6.3	- 4.5	1.2	5.2	- 4.0	0.5	-	+ 0.5	-	1.1	- 1.1
Common and Preference Stocks	4.4	7.9	- 3.5	1.3	4.1	- 2.7	3.1	3.4	- 0.3	-	0.5	- 0.5
Other Foreign Countries Issues:												
Bonds and Debentures	43.9	12.4	+ 31.6	40.9	6.5	+ 34.4	0.8	2.4	- 1.6	2.2	3.5	- 1.3
Common and Preference Stocks	8.0	48.5	- 40.6	5.3	41.8	- 36.5	1.3	2.6	- 1.3	1.4	4.2	- 2.7
All Other Foreign Securities	0.5	-	+ 0.5	-	-	-	0.4	-	+ 0.4	0.1	-	+ 0.1
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	45.2	58.9	- 13.7	7.9	20.7	- 12.9	21.1	17.1	+ 4.0	16.2	21.1	- 4.8
Government of Canada - Guaranteed	6.9	16.7	- 9.8	3.0	5.4	- 2.4	2.6	3.6	- 1.0	1.3	7.7	- 6.5
Provincial	12.6	33.2	- 20.6	9.7	27.9	- 18.3	1.7	1.9	- 0.2	1.2	3.3	- 2.1
Municipal	0.7	4.8	- 4.1	0.2	3.9	- 3.7	0.2	0.5	- 0.3	0.2	0.4	- 0.2
Railway, not guaranteed by governments	2.2	0.5	+ 1.7	0.6	0.3	+ 0.3	1.5	-	+ 1.5	0.1	0.2	- 0.1
Other Corporations	10.0	27.2	- 17.3	4.2	21.2	- 17.0	2.8	2.0	+ 0.8	3.0	4.1	- 1.1
United States Issues:												
Government	11.4	12.2	- 0.8	11.3	12.0	- 0.8	-	-	-	0.2	0.2	-
Other	124.6	98.6	+ 26.1	116.9	87.8	+ 29.1	3.6	6.6	- 3.0	4.2	4.3	- 0.1
United Kingdom Issues:												
Government	0.1	0.4	- 0.4	-	0.3	- 0.2	0.1	-	+ 0.1	-	0.2	- 0.2
Other	1.7	5.9	- 4.2	1.2	4.9	- 3.7	0.5	-	+ 0.5	-	0.9	- 0.9

As figures are rounded, totals may not equal sum of component parts.

TABLE 6. Trade in Outstanding Canadian Bonds and Debentures and Canadian Common and Preference Stocks Between Canada and Other Countries

(Millions of dollars)

Year and Month	Canadian Bonds and Debentures ¹						Canadian Common and Preference Stocks					
	Total Transactions			United States			Total Transactions			United States		
	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -
1966— Year	135.7	239.1	- 103.5	67.9	139.8	- 71.9	468.9	606.0	- 137.0	301.8	397.4	- 95.5
1967— Year	127.5	183.8	- 56.3	51.5	114.5	- 63.1	572.3	560.3	+ 12.0	362.9	285.5	+ 77.4
1968— 6 months	77.6	141.4	- 63.9	25.5	79.5	- 54.0	356.7	307.4	+ 49.3	205.0	146.1	+ 58.9
1967— January	17.6	15.8	+ 1.8	4.8	9.3	- 4.5	36.9	62.5	- 25.6	26.7	40.1	- 13.4
February	9.7	15.7	- 6.0	4.7	9.0	- 4.3	34.3	47.2	- 12.9	22.9	27.5	- 4.6
March	16.7	22.3	- 5.6	8.9	15.2	- 6.3	28.6	42.0	- 13.4	19.7	22.2	- 2.5
April	12.3	13.8	- 1.5	7.0	9.7	- 2.7	31.5	36.9	- 5.4	17.2	18.9	- 1.7
May	10.0	26.0	- 16.0	3.2	20.2	- 17.1	37.4	42.6	- 5.2	22.2	22.0	+ 0.2
June	8.7	13.8	- 5.1	4.4	10.3	- 5.9	43.2	48.2	- 4.9	24.9	20.4	+ 4.4
July	5.1	14.6	- 9.5	2.1	11.4	- 9.3	43.6	42.7	+ 0.9	28.2	21.0	+ 7.2
August	7.6	7.7	- 0.2	2.9	3.8	- 0.8	45.3	58.5	- 13.2	23.6	28.4	- 4.8
September	9.3	9.3	- 0.1	3.4	2.8	+ 0.6	86.0	43.2	+ 42.8	65.9	20.4	+ 45.5
October	10.3	14.8	- 4.5	3.0	7.5	- 4.5	55.9	37.7	+ 18.2	31.7	15.6	+ 16.1
November	10.0	13.5	- 3.5	2.2	6.7	- 4.5	62.6	51.0	+ 11.6	38.2	25.5	+ 12.7
December	10.3	16.5	- 6.2	4.7	8.5	- 3.8	65.1	41.1	+ 24.0	40.5	17.0	+ 23.5
Month not identified	-	-	-	-	-	-	1.9	6.8	- 4.9	1.3	6.5	- 5.2
1968— January	18.0	20.9	- 2.9	4.5	13.0	- 8.5	60.2	57.3	+ 2.9	35.4	27.5	+ 7.9
February	6.3	30.3	- 24.0	3.0	22.9	- 20.0	53.1	42.6	+ 10.5	27.6	22.1	+ 5.5
March	8.5	34.6	- 26.1	2.5	16.0	- 13.5	53.5	51.4	+ 2.1	31.6	19.6	+ 11.9
April	14.3	11.2	+ 3.2	5.8	6.4	- 0.5	48.0	45.3	+ 2.7	26.5	24.6	+ 1.9
May	13.0	16.8	- 3.8	5.3	6.0	- 0.8	75.6	56.4	+ 19.2	46.1	23.5	+ 22.6
June	17.3	27.5	- 10.2	4.5	15.2	- 10.7	66.4	54.4	+ 12.0	37.9	28.9	+ 9.0
July												
August												
September												
October												
November												
December												
Month not identified												

As figures are rounded, totals may not equal sum of component parts.

¹ Includes also minor amounts of "Other" Canadian securities.

TABLE 7. Selected Capital Market Statistics

Year and month	Domestic Government Bonds (Last Wednesday of month)					Stock prices			Exchange rate
	United States		Canada			Canada Dominion Bureau of Statistics		United States Standard and Poor's com- posite stock index of industrials, railroads and utilities	United States dollar in Canada (noon average in cents)
	3 1/4% due June 15, 1978-83		3 3/4% due January 15, 1975-78		Long- term average yield(1)	Investors' price index (indus- trials utilities finance)	Composite mining index		
	Price	Yield	Price	Yield					
						1956=100		1941-1943=10	
1963 - March	91.19	3.88	86.31	5.07	5.09	132.3	92.9	65.67	107.80
June	89.31	3.99	88.06	4.91	4.96	139.9	90.8	70.11	107.82
September	90.00	3.99	86.63	5.08	5.11	138.0	91.8	72.85	107.98
December	87.63	4.19	86.06	5.16	5.16	139.8	86.5	74.17	107.93
1964 - March	86.94	4.25	85.38	5.25	5.25	147.1	96.4	78.80	108.05
June	88.81	4.10	86.06	5.20	5.20	160.5	96.4	80.24	108.09
September	88.19	4.16	86.13	5.21	5.21	166.8	104.2	83.40	107.61
December	88.31	4.16	87.63	5.06	5.03	169.4	112.6	83.96	107.46
1965 - March	88.81	4.13	87.31	5.11	5.06	180.0	119.0	86.83	108.11
June	88.69	4.15	86.81	5.20	5.16	174.0	110.0	85.04	108.23
September	86.56	4.35	85.31	5.40	5.32	175.5	109.7	85.32	107.64
December	85.06	4.49	84.50	5.53	5.40	173.8	110.1	91.73	107.58
1966 - March	84.31	4.58	83.31	5.72	5.58	175.0	116.3	88.88	107.62
June	82.56	4.76	83.31	5.75	5.66	170.6	116.7	86.06	107.65
September	82.13	4.82	82.38	5.91	5.75	152.7	107.6	77.81	107.62
December	83.75	4.58	82.69	5.91	5.76	154.6	95.6	81.33	108.31
1967 - March	85.63	4.51	85.88	5.51	5.48	171.4	99.3	89.42	108.20
June	80.31	5.06	81.88	6.11	5.87	174.5	101.3	91.43	108.04
September	80.31	5.08	80.25	6.40	6.19	181.0	105.1	95.81	107.53
December	77.81	5.38	79.00	6.65	6.54	173.6	107.0	95.30	108.02
1968 - January	79.44	5.21	78.75	6.71	6.54	174.4	111.6	95.04	108.47
February	79.19	5.24	77.25	6.98	6.72	163.8	109.8	90.75	108.73
March.....	76.69	5.53	75.25	7.34	6.91	157.7	109.6	89.09	108.49
April	77.44	5.46	77.25	7.01	6.62	169.1	102.4	95.67	108.01
May	75.81	5.65	76.63	7.15	6.97	171.2	107.3	97.87	107.79
June	79.38	5.25	79.50	6.69	6.62	174.4	108.6	100.53	107.68
July									
August									
September									
October									
November									
December									

(1) Average of all direct Government of Canada issues due or callable in 10 years or over, excluding perpetuals.

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